

TransactionWatch

*Weekly Newsletter For Payments Executives That Covers The Most Important
And Relevant Merchant Acquiring Deals And Activity*

*Week of:
January 31st – February 4th*

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Deal Activity Summary

January 31st – February 4th

This Week's M&A Overview

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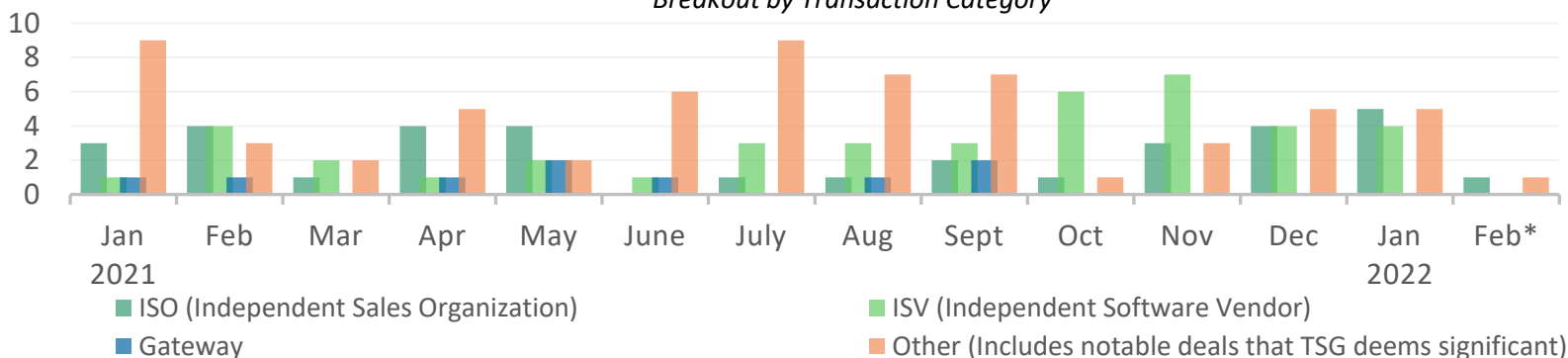
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M&A activity continues to spur this week in the payments industry with several new deal announcements. To start, Paylance announced their acquisition of Secure Payment Systems (“SPS”), a Nevada-based ISO that processes more than \$20 billion in annual payment volume. With this acquisition, Paylance is able to expand their product suite as well as their merchant portfolio. Following this deal, Paylance will serve over 11,000 merchants that process more than 57 million transactions per year. Separately, earlier this week Trust Payments announced their deal to acquire WonderLane, a retail technology provider, for an undisclosed sum. This deal enables Trust Payments to further enhance their retail solutions for their merchant base, including advancing their POS solution for improved omnichannel payments.

In other M&A news, DNA Payments announced their deal to acquire Kwalitas, a fintech provider based in the United Kingdom. This deal aligns with DNA Payments’ strategy for growing their merchant portfolio through providing additional product services. This deal also marks the company’s fourth acquisition in just the past two years. Lastly, Block (formerly Square) announced they have completed their \$29 billion acquisition of Afterpay, a BNPL provider. This deal was initially announced back in August of last year.

2021 – 2022 YTD M&A Activity

Breakout by Transaction Category



*As of publication.

Note: TSG’s selected M&A activity monitors specific markets relating to the acquiring industry and the general payments market.



B2B Payment Network

Navigating Through The B2B Payment Network

The B2B Payment Network has evolved significantly. Are you up to speed on the market opportunities currently available? TSG has proven results of helping clients [navigate the emerging B2B space](#). Whether starting new or improving the program you already have, there are critical questions you must ask.

LOOKING TO START A NEW AP PROGRAM?

- Do you know there is a simple way to start this program at **no cost to you**?
- Do you know how much **additional revenue** you could potentially be generating?
- Are you aware that you could **be reducing manual processes and costs**?
- Are you looking for a way to **improve reconciliation processes** for yourself and your suppliers?

DO YOU ALREADY HAVE AN AP PROGRAM?

- How **old** is your AP program?
- Are you **optimizing your returns**? Do you know you could potentially be leaving money on the table?
- The competition among AP Automation companies is aggressive when bidding for new business, **do you know how your program compares** against the industry?
- Are you looking to **exceed supplier acceptance targets**?

Whether you're looking to start a new program or improve your current accounts payable system, The Strawhecker Group is fully equipped to guide you through this initiative. TSG can help you partner with the right issuer to derive the most benefit from your program and maximize your ROI.

For more information, please email Info@thestrwegroup.com



Historical M&A Tracker

Transaction History: November 2021 – January 2022

Transaction Categories:



ISO

Independent
Sales Organization



ISV

Independent
Software Vendor



Gateway



Other

Includes notable deals that TSG
deems significant

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
ISO	Payliance	Secure Payment Systems	-	2/2/2022
Other	DNA Payments	Kwalitas	-	2/1/2022
ISV	Trust Payments	WonderLane	-	1/31/2022
ISO	Till Payments	ZIPS	-	1/27/2022
ISO	Paystone	Canadian Payment Services	-	1/26/2022
Other	JP Morgan	Viva Wallet	- (49% stake)	1/25/2022
Other	Plaid	Cognito	\$250	1/20/2022
Other	Paya	VelocIT	-	1/19/2022
ISO	Celero Commerce	OMEGA Technology	-	1/18/2022
ISV	NMI	IRIS CRM	-	1/18/2022
ISO	Payroc	East Commerce	-	1/13/2022



Historical M&A Tracker

Transaction History: November 2021 – January 2022

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
ISV	Foodics	POSRocket	-	1/10/2022
ISV	PayFacto	iShopFood	-	1/6/2022
Other	VeriCheck	ACHWorks	-	1/6/2022
ISO	Corsair	Aurora Payments	- (Majority Stake)	1/4/2022
Other	REPAY	Payix	\$115	1/3/2022
ISV	Mastercard	Dynamic Yield	-	12/21/2021
Other	Thoma Bravo	Bottomline Technologies	\$2,600	12/17/2021
ISO	EVO Payments	National Bank of Greece (51% stake in Merchant Acquiring Unit)	\$180	12/16/2021
ISV	Flywire	WPM Education	-	12/15/2021
ISO	Celero Commerce	Everest Payment Solutions	-	12/14/2021
ISO	Mercado Libre	Redelcom	-	12/13/2021
ISV	North Mountain Merger Corp.	Corcentric	\$1,200	12/10/2021
Other	Fortis	VIP Integrated Payments	-	12/8/2021
Other	Rapyd	Neat	-	12/8/2021
ISO	Worldline	Eurobank (80% stake in Merchant Acquiring unit)	\$290	12/7/2021
Other	Paymentology	Tutuka	-	12/6/2021
ISV	Stripe	OpenChannel	-	12/6/2021



Historical M&A Tracker

Transaction History: November 2021 – January 2022

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
Other	Payroc	SnapCheck	-	12/2/2021
ISO	Stax	CardX	-	11/30/2021
Other	Mastercard	Arcus FI	-	11/24/2021
ISV	KeyBank	XUP Payments	-	11/22/2021
Other	Sift	Keyless	-	11/18/2021
ISV	U.S. Bank	TravelBank	-	11/16/2021
ISV	Cart.com	180Commerce	-	11/15/2021
ISV	SpotOn	Dolce Software	-	11/15/2021
ISV	Ventoux CCM Acquisition Corp.	Presto	\$1,000	11/10/2021
ISV	Flutterwave	Disha	-	11/10/2021
ISO	Bottomline	Bora Payment Systems	\$15	11/9/2021
ISO	Tidal Commerce	Merchant Bancard Processing	-	11/4/2021
Other	Klarna	PriceRunner	\$124	11/2/2021
ISV	Cross River Bank	Betterfin	-	11/2/2021
Other	Stripe	Recko	-	10/20/2021
ISV	Fiserv	BentoBox	-	10/18/2021
ISO	MiCamp Solutions	Express Payment Solutions	-	10/18/2021



Headline News

January 31st – February 4th



BLOCK

Block, Inc. Completes Acquisition of Afterpay

[BusinessWire](#) | [January 31st, 2022](#)

Block, Inc. and Afterpay Limited today (Jan. 31st) announced the successful completion of the Scheme of Arrangement under which Block has acquired all of the issued shares in Afterpay. This transaction aims to enable Block to better deliver compelling financial products and services that expand access to more consumers and help drive incremental revenue for sellers of all sizes.

Paysafe:

Paysafe Completes Acquisition of SafetyPay

[BusinessWire](#) | [January 31st, 2022](#)

Paysafe, a leading specialized payments platform, today (Jan. 31st) announced the completion of its SafetyPay acquisition. SafetyPay is a leading payments platform operating primarily in Latin America that enables eCommerce transactions via a wide choice of open banking and eCash solutions. For Paysafe, this latest deal further strengthens its strategic foothold in Latin America, building on its recently announced acquisition of Peruvian payments platform, PagoEfectivo.



PayPal Admits 4.5 Million Accounts Were Illegitimate As Fintech's Fraud Problem Grows

[Forbes](#) | [February 2nd, 2022](#)

Fraud continues to plague fintech businesses large and small. During its earnings call for the fourth quarter of 2021, PayPal chief financial officer John Rainey said the company identified 4.5 million accounts that it believes "were illegitimately created." Its stock slumped 25% on Wednesday (Feb. 2nd) after it also reported that profits fell short of Wall Street analysts' expectations and that it anticipated slower growth in 2022 than previously expected.



Partnership Activity

January 31st – February 4th



SumUp scores referral deal with PrestaShop

[Finextra](#) | February 2nd, 2022

Global financial technology company SumUp and PrestaShop - the leading e-commerce platform in Europe and Latin America - announce a partnership that will give hundreds of thousands of merchants on the PrestaShop platform access to SumUp's extensive product suite of tailor-made business tools thanks to PrestaShop's SumUp Payment Module.



Modulr and Ripple Announce Strategic Partnership to Enable Seamless Payments Into the UK and Europe

[BusinessWire](#) | February 1st, 2022

Today, leading payments platform Modulr announced a partnership with Ripple, the leader in enterprise blockchain and crypto solutions, to enable seamless payments into the UK and Europe. Trust Payments, the global unified payments group, is the first customer to go live and begin benefiting from the partnership.

Other Notable Partnerships:

- **ACI Worldwide** forms a strategic partnership with **COMO Global** to support the company's growth initiatives into new markets.
- **PayTile** and **Cross River Bank** team up on P2P geo-location technology.
- **Bank of Baroda** partners with **NCR** for digital technology implementation.
- **FINCI** forms a partnership with **Nium** to accelerate their growth into additional regions.
- **CMI** partners with **Visa** to launch a payment channel for B2B payment transactions.



Management Changes

January 31st – February 4th



JP Chauvet



Dax Dasilva

Lightspeed Appoints New CEO

Lightspeed announced this week the promotion of JP Chauvet to Chief Executive Officer, effective immediately. Chauvet, who served as President of the company, will replace the company's Founder and outgoing CEO, Dax Dasilva. Following this transition, Dax will assume the role as Executive Chair of Lightspeed's board of directors.

Date Announced	Company	Personnel	New Position	Previous Position
1/31/2022	REPAY	David Guthrie	Chief Technology Officer	Chief Information Officer and Chief Information Security Officer at Sharecare
2/2/2022	Lightspeed Commerce	JP Chauvet	CEO	President of Lightspeed Commerce
2/2/2022	Lightspeed Commerce	Dax Dasilva	Executive Chair	CEO of Lightspeed Commerce
2/2/2022	EngageSmart	Kevin O'Brien	Present, Enterprise Solutions	Divisional VP and General Manager at PTC
2/2/2022	Pushpay	Jason Rupert	Chief Growth Officer	Chief Sales/Revenue Officer at Sympplr



TSG Payments Index

Q1 2011 – Q3 2021

tsg
Payments
Index

VS.

STANDARD
& POOR'S

TSGPX

S&P 500

+23% CAGR

\$893

+12% CAGR

\$325

\$1,000
\$900
\$800
\$700
\$600
\$500
\$400
\$300
\$200
\$100
\$-

Q1 2011 Q2 2011 Q3 2011 Q4 2011 Q1 2012 Q2 2012 Q3 2012 Q4 2012 Q1 2013 Q2 2013 Q3 2013 Q4 2013 Q1 2014 Q2 2014 Q3 2014 Q4 2014 Q1 2015 Q2 2015 Q3 2015 Q4 2015 Q1 2016 Q2 2016 Q3 2016 Q4 2016 Q1 2017 Q2 2017 Q3 2017 Q4 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018 Q1 2019 Q2 2019 Q3 2019 Q4 2019 Q1 2020 Q2 2020 Q3 2020 Q4 2020 Q1 2021 Q2 2021 Q3 2021

Payments companies have been thriving in recent years and are becoming more valuable and profitable for the company and its investors. With strong earnings year after year, many payments companies are rapidly increasing their market capitalization and gaining the attention of additional stakeholders.

The chart displays the performance of a \$100 investment in an index of selected payments companies which represent the "TSG Payments Index" – this index is calculated on a value weighted basis using market capitalization and is compared to the S&P 500 which is also calculated using the same methodology. **A \$100 investment in the TSGPX in Q1 2011 would be valued at approximately \$893 in Q3 2021, as compared to \$325, if invested in the S&P 500.**

On average, payments companies grow at a compounded rate that is **11% higher** than that of the industry average. This growth rate is more than double of the industry average and represents the attractiveness of the payments market. The Payments Index is depicted to portray the growing nature of the payments market and hints at where this market is headed in the coming years.

tsg
Payments
Index

Euronet
WORLDWIDE

EVERI

EVOPAYMENTS
INTERNATIONAL

FIS

ACI
UNIVERSAL
PAYMENTS.

AllianceData.

AMERICAN
EXPRESS

Diebold Nixdorf

mastercard

fiserv.

shopify

Square

Paysafe:

jack henry
& ASSOCIATES INC.

usbank

globalpayments

paysign

toast

PayPal

VISA

WESTERN
UNION WU

green dot

USIO

VERISIGN

NCR

wex

paya

lightspeed

evertec

Shift4
PAYMENTS



TSG Buy/Sell Consulting Services

Buy-Side

- Buyers use TSG's due-diligence subject matter experts for support on a variety of key decision criteria can affect the value of the property. TSG assists buyers by acting as their advisor as they evaluate the financial value, benchmarking key performance metrics, determine risk, and evaluate the value of any technology assets.

Sell-Side

- The key factor in a successful asset sale is understanding the true value of your enterprise. Value is defined as the "amount a buyer is willing to pay." TSG has a pulse of the market and performs an extensive evaluation of value drivers to ensure potential "sellers" understand the value of their company in the marketplace – prior to starting the sales process. In addition, buyers can use the data to assess offers that have been received for an accurate and fact-based assessment of the offer.

Private Equity

- TSG can help private equity firms understand the landscape before investing and can build a market analysis to determine which investment is the best fit to create the highest ROI. TSG provides investors and financial institutions with the documented valuation information needed to support funding events.

Restructuring & Re-Capitalization

- TSG can facilitate strategic exercises to help forge a new path ahead and can help with implementation of a new structure to ultimately maximize the value and performance of the entity.

30+

ACQUISITIONS
AND INVESTMENT
TRANSACTIONS



250+

COMPLETED
PAYMENTS CO.
VALUATIONS



8 of 12

OF THE LARGEST
PAYMENTS TRANS
IN THE LAST YEAR



\$10-100M

TYPICAL DEAL
RANGE





TSG Buy/Sell Consulting Services

TSG Has Advised For Many Leading Companies in the Payments Industry

GI PARTNERS

on its
investment in

Rectangle
HEALTH

WesBanco

In a debit card
sponsorship
portfolio sale to

PB&T BANK
Local People Making Local Decisions Since 1889

payroc
STABILITY IN
PAYMENTS

In the
acquisition of

 **Integrity**

CLARUS
MERCHANT SERVICES

In the
acquisition of

 **NAMS**

PARthenON
CAPITAL PARTNERS

In the
acquisition of

NXGEN
& **pay**scape®

 **POS PROS**
POINT OF SALE ADVISORS

In its
sale to

Paysafe:

**Goldman
Sachs**

On their funding
event with

Newtek
"The Small Business Authority"

**Goldman
Sachs**

On their funding
event with

 **Bluefin**
Payment Systems

 **PIVOTAL**
PAYMENTS

In the
acquisition of

 **CAPITAL**
PROCESSING NETWORK

 **Bregal**Sagemount

In due diligence support
of its investment into

 **YAPSTONE**
POWERING PAYMENTS

Terrapin
Financial Services, LLC

In its
sale to

 **BluePay**

sage

In a merchant portfolio
purchase from

 **Heartland**
PAYMENT SYSTEMS®

 **PRIORITY**
PAYMENT SYSTEMS

In its
merger with

 **cynergydata**

Mutual of Omaha Bank

On the organization of
its joint venture with

 **First Data.**

 **SIG**
SUSQUEHANNA
GROWTH EQUITY, LLC

On their
investment in

PaySimple®

CAYAN

In the
acquisition of

CPS
CARD PAYMENT SERVICES

 **Shift4**
PAYMENTS

In its
sale to

 **LIGHTHOUSE**
NETWORK

talus
pay

In acquisition of the
operation assets of

 **PROLIFIC**
BUSINESS SOLUTIONS

 **BluePay**

In the
acquisition of

Primax
Defining Card Processing

KeyBank

On their joint
venture with

 **Elavon**



Payments Experts. Powerful Data.
THE STRAWHECKER GROUP®

ANALYTICS + CONSULTING

The Strawhecker Group (TSG) is a fast-growing analytics and consulting firm. The company serves the entire payments ecosystem, from fintech startups to Fortune 500 companies. The firm provides its clients with advisory services, research and analytics to help them plan and execute their strategic initiatives. Based in Omaha, a recognized payments industry hub, TSG is an established leader in this high-growth, ever-evolving space.

